

# NEIGHBORHOOD ASSISTANCE PROGRAM 2020 APPLICATION WEBINAR

April 9, 2020

# AGENDA

1. Introductions
2. NAP Summary and Review
3. Application Overview
4. Mandatory NAP Reports

# IHCDA

## **OUR VISION FOR INDIANA**

An Indiana with a sustainable quality of life for all Hoosiers in the community of their choice.

## **OUR MISSION**

To provide housing opportunities, promote self-sufficiency, and strengthen communities.

# NAP SUMMARY/REVIEW

- The Neighborhood Assistance Program is a program of the State of Indiana that provides \$2.5 million tax credits annually to non-profit organizations for sale as a fundraising and capacity building tool.
- NAP is created by Indiana Code 6-3.1-9.
- NAP credits are worth 50% of the value of a contribution. This means that a \$200 donation nets a \$100 tax credit.
- NAP is administered by the Indiana Housing and Community Development Authority (IHCDA).
- Donations are reported to the Indiana Department of Revenue and a credit is given to the donor's state tax liability.

# TAX CREDIT BASICS

## What is the difference between a Tax Credit, and a Tax Deduction?

A **tax deduction** reduces a taxpayer's taxable income.

A **tax credit** counts as if it were taxes already paid and reduces the taxpayer's total tax liability.

*Example:*

Taxpayer income: \$40,000

Tax rate: 25%

Tax Liability:  $(40,000 \times .25) = \$10,000$

- A \$1,000 tax **deduction** would reduce the taxpayer's taxable income to \$39,000.

$$40,000 - 1,000 = 39,000$$

$$39,000 \times .25 = \underline{\$9,750}$$

- A \$1,000 tax **credit** would reduce the taxpayer's tax liability to \$9,000.

$$40,000 \times .25 = 10,000$$

$$10,000 - 1,000 = \underline{\$9,000}$$

# NAP APPLICATION TIMELINE

- Release Date: April 6
- Webinar: April 9
- **Due Date: April 27**
- Awards Announced by: June 1
- Contracts Issues by: June 15
- Signed Contracts due: June 29
- Credits Can be Sold Starting: July 1

# NAP APPLICATION

- Organization Information
  - Name, address, staff contacts, mission, etc.
- Organization Eligibility
  - EIN and prior IHCDCA grant information
  - Confirmation of IRS 501(c)3 designation – **document upload**
  - Confirmation of Non-profit Domestic Corporation in Indiana
  - Confirmation of good standing with Indiana Secretary of State – **document upload**
- Note on that last form: must show future expiration date, not application date

# NAP APPLICATION

- Eligible services in a designated economically disadvantaged area
  - Neighborhood assistance
  - Job training
  - Education
  - Counseling and advice
  - Emergency assistance
  - Medical care
  - Recreational facilities
  - Housing facilities
  - Economic development assistance
  - Crime prevention



# NAP APPLICATION

- What is an “economically disadvantaged area?”
  - IC 6-3.1-9-1 (e): enterprise zone, or any other federally or locally designated economically disadvantaged area in Indiana. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.
- IHCDa recognizes CURRENT enterprise zones, opportunity zones and census tracts - any other type of area will need prior approval
- Will need name and can only identify up to five areas – you must commit to spending funds raised in those areas

# NAP APPLICATION

- Eligible services for designated economically disadvantaged populations
  - Job training
  - Crime prevention

# NAP APPLICATION

- What is an “economically disadvantaged household?”
  - IC 6-3.1-9-1 (f): means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.
- Any other type of federally-approved income qualification will need to be identified in the application

# NAP APPLICATION

- Specific Project or Program Overview
  - Name
  - Short description
  - Number of individuals to serve
  - Types of individuals served
- Must relate back to activities that makes your organization eligible for NAP credits

# NAP APPLICATION

- Credit Request
  - Up to \$25,000 if your agency has received NAP credits previously
  - Up to \$5,000 if your agency is new to NAP
- Notes on credits:
  - **Credits** are what IHCDa awards you, outlined in grantee contract
  - **Funds** are what you raise when you sell credits to donors
  - IHCDa will ask about both:
    - How many credits did you sell?
    - How much funding did you raise and spend on your project?
  - **You must answer for all funds raised, not just credit amount!!**
    - Example: if you are given \$10,000 in credits, and sell them all, you must report on how you spent the \$20,000 you raised total, not just \$10,000.

# NAP APPLICATION

- Recognition of Reporting Requirements
  - Must hit benchmarks and submit benchmark reports on time in order to keep eligibility for 2021 credits
  - Must submit Closeout Report on time in order to keep eligibility for 2022 credits
- Confirmation of all information within application
- Submitting your application:
  - MUST hit “Submit”
  - Should receive email confirmation – if not, email [nap@ihcda.in.gov](mailto:nap@ihcda.in.gov)
  - Link in confirmation email allows you to make corrections to application

# AWARD PROCESS

The formula below is used to determine the value of an applicants NAP award. Elements such as the total available credits and the requested credit amount by approved applicants are taken into account.

This means that the amount of credits you receive is based on the total amount that has been requested, rather than IHCD's discretion

$\left( \frac{\text{Total Available Credits}}{\text{Total Requested Credits}} \right)$	=	Allocation Percentage	X	Applicant Requested Credits	=	Award Amount
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# 2019-2020 Program Timeline

Awards Announced	June 1, 2020
Grant Agreement Issued by	June 15, 2020
Grant Agreements Returned	June 29, 2020
Start Selling Credits	July 1, 2020
60% Benchmark	December 31, 2020
Mid-Year Donor Report Due	January 18, 2021
100% Benchmark	March 31, 2021
End of Year Donor Report Due	April 19, 2021
Funds Spent	September 15, 2021
Close-Out Report Due	September 27, 2021



# CONTACTING IHCDA

If you have a **program question**, first review your contract, the manual and the documents provided on IHCDA's website: <https://www.in.gov/myihcda/nap.htm>

If you can't find your answer in those resources, or if you find conflicting information, please EMAIL us at [nap@ihcda.in.gov](mailto:nap@ihcda.in.gov).

- Include your organization, your contract number, and the exact report if it's a reporting-related question

If you end up having to call Veronica or Veda, please preface your call with “I have a NAP-related question” and have your organization and contract number handy

- We may still ask you to email us

If you have a question about using IHCDOnline, please email our claims department at [claims@ihcda.in.gov](mailto:claims@ihcda.in.gov).

**Thank you for participating in this webinar.**

**If you have any unanswered questions, please  
contact us at  
[NAP@ihcda.in.gov](mailto:NAP@ihcda.in.gov)**

*\*A digital copy of this webinar will be available shortly on the IHCDa website at [www.IHCDA.in.gov](http://www.IHCDA.in.gov).*